CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: LUL #3070986 for use of existing two track trails to access two new well sites.

Proposed

Implementation Date: Summer 2011

Proponent: Plain Energy USA, Suite 311, 1117 1st St. SW, Calgary, AB T240T9

Location: See below list of tracts and attached map.

County: Toole

Trust: Common Schools (CS)

I. TYPE AND PURPOSE OF ACTION

The proponent has applied for a LUL to use existing two track trails across state land for ingress and egress to and from deeded land that 2 new well sites will be drilled. Than if the new wells are productive, the proponent will use the two track trails to access the wells. The two track trails will be used as the primary access routes to the wells. The state land listed below in Sections 12, 13, and 14, T35N, R4W will be used to access a new well site on deeded land located in the NW4, Section 12, T35N, R4W. The state land listed below in Section 27, T36N, R4W will be used to access a new well site on deeded land located in the NW4, Section 26, T36N, R4W. The two track trail crosses approximately 10,300.00' or 1.95 miles in T35N, R4W and 1442.00' or 0.27 miles in T36N, R4W. The proposed LUL will be 16' wide on the existing two track trails.

Township	Range	Section	Portion	Footage Affected	Miles Affected	Acres Affected	Trust
35N	4W	12	SW4	2,937.00	0.56	1.08	CS
35N	4W	13	W2	4,438.00	0.84	1.63	CS
35N	4W	14	E2	2,925.00	0.55	1.07	CS
36N	4W	27	NE4NE4	1,442.00	0.27	0.53	CS
TOTALS				<mark>11,742.00</mark>	<mark>2.22</mark>	<mark>4.31</mark>	CS

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

DNRC-Surface

Bruce and Doreen Gillespie-Surface Lessees, Lease #3655, #2146, #2147

Bruce and Doreen Gillespie-Adjacent Land Owners

Plain Energy USA-Proponent

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

DNRC is not aware of any other agencies with jurisdiction or other permits needed to complete this project

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Deny the proponent the requested LUL #3070986.

Alternative B (the Proposed action) – Grant the proponent the requested LUL #3070986.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.
- Enter "NONE" If no impacts are identified or the resource is not present.

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Soils and geology in this area are generally suitable for road use. The proponent will use existing two track trails and minor road improvements will occur. These minor road improvements will consist of installing or repairing culverts in the low areas to minimize any erosion caused by vehicular traffic. The proponent will also place gravel in any low rutted area to allow the vehicular traffic to travel without causing any surface disturbance. The proponent will use a grader to level the ruts and spread the gravel, but will use care not to disturb the center or edges of the existing two track trails. Reclamation requirements are to re-contour and reseed any disturbed areas with the existing grass types and seeding rates that are listed in item 7 of this assessment.

No cumulative effects to the soils are anticipated.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

No important surface or groundwater resources will be impacted by the proposed easement as the two track trails are existing and only minor road improvements will take occur.

Other water quality and/or quantity issues will not be impacted by the proposed action.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The proposed LUL #3070986 will consist of only minor disturbance to soils, so no cumulative effects to air quality are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

The vegetation within the proposed project area consists primarily of native rangeland grasses, forbs, and shrubs. Existing two track trails will be used and only minor road construction will take place, so only a minimal amount of existing vegetation will be disturbed. Any disturbed areas will be reclaimed and reseeded. The reseeding mixture will be as follows: Western Wheatgrass 35%, Slender wheatgrass 35%, Bluebunch wheatgrass 15%, Green needlegrass 10%, and Lewis Blue Flax 5%. The seeding rate will be 7 lbs of PLS per acre and if broadcast the rate will be doubled.

A review of Natural Heritage data through the NRIS was conducted and there were no plant species of concern noted or potential species of concern noted on the NRIS survey.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A review of Natural Heritage data through the NRIS was conducted. T35N, R4W: There were two animal species of concern and zero potential species of concern noted on the NRIS survey: Birds-Golden Eagle and Ferruginous Hawk. T36N, R4W: There were three animal species of concern and zero potential species of concern noted on the NRIS survey: Birds-Golden Eagle and Ferruginous Hawk. Mammals-Hoary Bat. These particular tracts of native rangeland do not contain many, if any of these species. Threatened or endangered species, sensitive habitat types, or other species of special concern or potential species of concern will not be impacted by the utilization of the existing two track trails.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

No historical, archaeological, or paleontological resources were identified along the two track trails. Only minor road improvements will take place to the two track trail, so no cultural resources will be impacted by this proposed LUL #3070986.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The state land does not provide any unique scenic qualities not also provided on adjacent private lands. The proposed LUL #3070986 will use existing two track trails, so there would be no change to the aesthetics in either alternative.

No direct or cumulative effects to aesthetics are anticipated.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

The demand on environmental resources such as land, water, air, or energy will not be affected by the proposed action. The proposed action will not consume resources that are limited in the area. There are no other projects in the area that will affect the proposed action.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

There are no other projects or plans being considered on the tracts listed on this EA.

IV. IMPACTS ON THE HUMAN POPULATION

- RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.
- Enter "NONE" If no impacts are identified or the resource is not present.

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

The proposed LUL #3070986 will not impact human health or safety in the area.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The proponent will use existing two track trails and only minor road improvements will occur. The use of these existing two track trails will not add to or alter agricultural activities or production on the leases.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposed action will not create any jobs as the two track trails are existing and only minor road improvements will take place.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

State and local tax revenue may be increased from the sale of any natural gas or oil if deposits are discovered as a result of this proposed exploration project.

There are no direct or cumulative effects to taxes or revenue for the proposed project.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

There will be no direct or cumulative effects on government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

The proposed action is in compliance with State and County laws. No other management plans are in effect for the area.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

These tracts of state land generally have a low recreational value for hunting and fishing. These tracts are legally accessible to the public via Rim Road. The proposed action is not expected to impact general recreational activities on this state land.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing

The proposal does not include any changes to housing or developments.

No direct or cumulative effects to population or housing are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The proposed action will not impact the cultural uniqueness or diversity of the area.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

This project will benefit the school trust in terms of the \$25.00 fee generated from the LUL application fee. The LUL will generate an annual fee of \$200.00/year for the first mile and \$100.00/year for each additional ½ mile. There are 2.22 miles of affected Common Schools trust land for a total of \$500.00/year. The license will be in effect for ten years for the drilling and maintenance of the well sites. Cumulative impacts are not likely as the area is used for grazing and the use of the existing two track trails will not affect the long-term viability of grazing on these tracts.

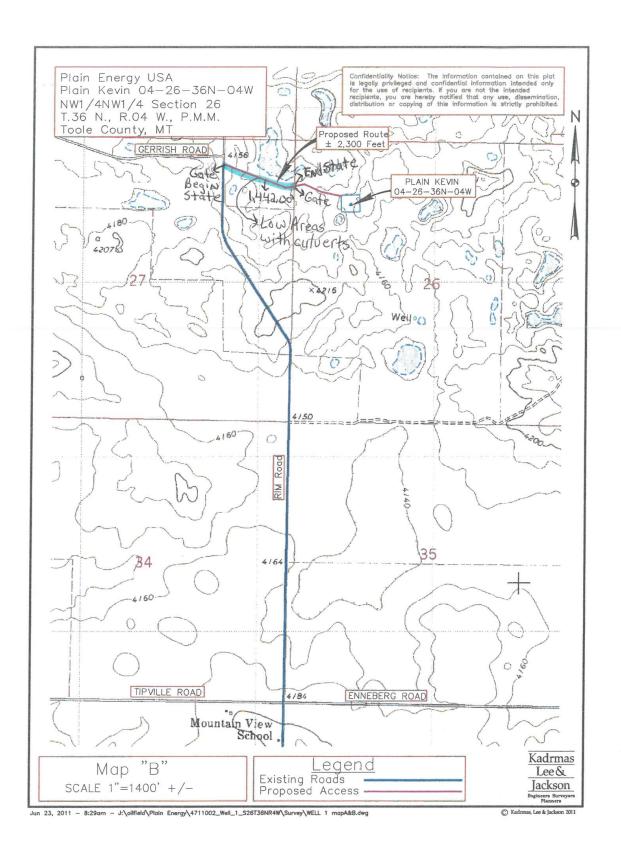
EA Checklist
Prepared By:

Name: Tony Nickol

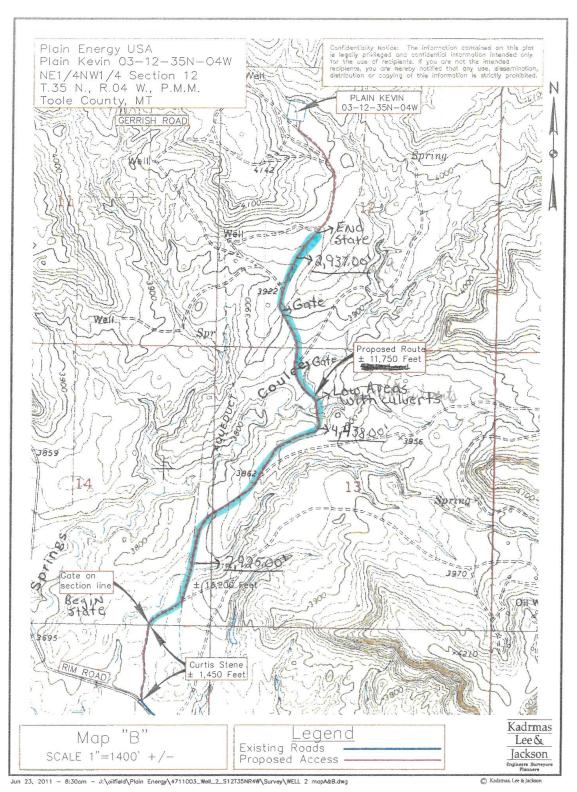
Date: July 12, 2011

Land Use Specialist, Conrad Unit, Central Land Office

V. FINDING						
25.	ALTERNATIVE SE	ELECTED:				
Alte	ernative B (the Prop	osed actior	n) –Grant the proponent the r	equested LUL #	3070986.	
he /lini vill l	imal road improvem be added to the LUL er reasonable routes	lizing an ex ents, such L that states s to provide	rial impacts: disting road to access private as culvert installation to provi a "any road improvements me access to these wells. Signi I pay the school trust 500.00	de drainage and ust receive prior ficant impacts a	d gravel in low areas. A s DNRC approval". There re not anticipated as a re	stipulatior are no
27.	NEED FOR FURT	HER ENVII	More Detailed EA	X No	Further Analysis	
	EA Checklist Approved By:	Name: Title:	Erik Eneboe Conrad Unit Manager, CL	0		
	Signature:	4		Date:	July 26, 2011	



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